--- BABN's 5 mm. Gothic **8** overprint of RC-379 for the June 1940 Budget ---

With the Budget of June 1940 the federal excise duty for *small cigarettes* (i.e. under 3 pounds per thousand) increased from the pre-war $ 4.00 per thousand, to $ 5.00 in 1939, and then to $ 6.00 in 1940 (when the maximum weight of *small cigarettes* was decreased to 2½ pounds per thousand), and in July 1940 the Province of Quebec imposed an additional tax of 10% on tobacco products. The manufacturers attempted to keep the price of their small pack at 10 cents, by decreasing the number of cigarettes in a package.

The 10¢ pre-war pack of ten cigarettes had been reduced to nine with the Budget of September 1939, and was further decreased to eight cigarettes with the Budget of June 1940. Initially sold in Quebec at 11¢, until under consumer pressure, the seven cigarette package became the 10¢ norm.

Under the June 1940 Budget, BABN overprinted their obsolete sheets of the imperforate nine cigarette stamp in black ink with five central 6 mm. stacked black *killer bars*, plus a 5 mm. Gothic **8** at each side, and four 4 mm. stacked *killer bars* at each bottom corner as the BABN provisional **RC-463**.

--- the cancellation reads horizontally upright - a single copy to date ---

★**RC-463** - **8** on 9 cigarettes, imperf, the BABN 5 mm. Gothic overprint for the 1940 Budget, coded **16-10D / 70** by "L. O. Grothe" in July 1940

[★RC-463]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1940	---	---	---	---	--	---	**70**	---	---	---	---	---

--- 8 Cigarettes - the definitive Series “C” imperforate - used by “L.O. Grothe” - 1940-42 ---

The definitive eight cigarette Series “C” imperforate is first listed as used by “L. O. Grothe”, Montreal, in September 1940.

--- the cancellation reads horizontally inverted - 6 copies to date ---

★**RC-377** - 8 cigarettes, imperf, coded **16-10D / 110** by “L.O. Grothe” in November 1940

[★RC-377]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1940	---	---	---	---	--	---	---	---	**90**	**100**	**110**	---
1941	---	---	---	---	--	---	---	---	---	---	---	---
1942	---	---	**32**	---	**52**	**62**	---	---	---	---	---	---

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--- the “L.O. Grothe” provisional surcharge for the Budget of June 1942 ---

When the Budget of June 24th 1942 under the “Special War Measures Act” imposed an excise tax of 1¢ per five cigarettes or fraction thereof, “L.O. Grothe” surcharged their *on-hand* sheets of the eight cigarette stamp with a three-line 3 mm. Gothic vermilion **2¢ / EXCISE / TAX** as the provisional **RC-500**. Undated, this “L. O. Grothe” surcharge comes from June 1942.

★**RC-500** - the “L.O. Grothe” **2¢ / EXCISE / TAX** surcharge of **RC-377** for the June 1942 Budget

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--- BABN's 6 and 3 mm. 2c. / EXCISE / TAX Gothic surcharge for the June 1942 Budget ---

When the Budget of June 1942, under the "Special War Measures Act", imposed an excise tax of 1¢ per five cigarettes, or fraction thereof, for general distribution under the Budget, BABN surcharged the imperforate **RC-377** with their usual 6 and 3 mm. three line Gothic **2c. / EXCISE / TAX** as **RC-627**.

--- the cancellation reads horizontally inverted - 6 copies to date ---

★**RC-627 - 2c. / EXCISE / TAX** on 8 cigarettes, imperf, coded **16-10D / 102** by "L. O. Grothe" in October 1942

[★RC-627]	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
1942	---	---	---	---	---	---	72	82	---	102	112	---
1943	13	23	---	---	---	---	---	---	---	---	---	---

Under the Budget of June 1942, eight cigarettes sold across Canada at 12¢ at per package, with Quebec production becoming ten cigarettes retailing for 15¢.

--- the “L. O. Grothe” 4c. / O re-surcharge of RC-627 for the March 1943 Budget ---

The Budget of March 3rd 1943 doubled the excise tax, and subsequent legislation restricted the manufacturers, as a wartime conservation measure, to cigarette packages of 18, 20, 22, 25, 40 and 50 cigarettes. Thus production of the eight cigarette package ceased in March 1943.

Prior to switching production to larger sizes in March 1943, “L. O. Grothe”, Montreal, re-surcharged their *on-hand* sheets of **RC-627** in deep blue ink with a 4½ mm. Gothic **4c.** plus a 10 x 6 mm. deep blue *killer* slug **O** as the company provisional re-surcharge **RC-690**.

This eight cigarette pack would have sold at 15¢ *across Canada*, while seven cigarettes would have sold *in Quebec* at the same price. Probably at this time “L. O. Grothe” also used the BABN 1943 dark blue **4c.** re-surcharge. However, the collection ***does not contain*** a copy of **RC-739** used by “L. O. Grothe”.

★**RC-690 - 4c. O** over **2c. / EXCISE / TAX**, imperf, the “L. O. Grothe” 4½ mm. dark blue Gothic re-surcharge and 10 x 6 mm. killer, for the March 3rd 1943 Budget

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File path is [c:\ MS - STAMPS \ RC_STAMPS \ 1935 - Series C \ 8 cigarettes \ 16-10D],
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Formatted for a HP CP 1525 Laser Jet,
December 17th 2013, JBH